

Washington, D.C. - U.S. Rep. David Price today called upon the Bush Administration and the incoming Obama Administration to give top priority to the oversight of contracting and procurement at the Department of Homeland Security. His call comes in response to a Government Accountability Office (GAO) study of the Department's investment practices which he requested as chairman of the House Appropriations Subcommittee on Homeland Security.

The report, which was released today, finds that DHS has not provided adequate oversight for its investments, which include billions of dollars every year for programs ranging from Coast Guard vessels to border security infrastructure.

[[A copy of the GAO report can be found here.](#)]

"Reforming the Department of Homeland Security's (DHS) acquisition practices has been at the top of my subcommittee's agenda," said Chairman Price. "This relatively new department is handling billions in taxpayer dollars every year. And with all of its new programs and major purchases, it is absolutely critical that rigorous systems are in place to ensure accountability for how those dollars are spent."

One of Price's first initiatives as Chairman was to mandate improved acquisition practices by the Coast Guard for the next generation of ships, planes and helicopters purchased through the Deepwater program, which had experienced significant program delays, cost overruns and systems failures. Price included provisions in the fiscal year 2007 Supplemental Appropriations bill that called for more rigorous Coast Guard oversight, independent third-party reviews of major procurements, a comprehensive expenditure plan, and linkage of award fees and contractor performance.

Price noted, however, that the Department of Homeland Security's acquisition problems did not begin and end with the Coast Guard. The Transportation Security Administration has repeatedly awarded contracts that were too broadly defined, resulting in exponential cost growth. Recently, similar problems have been found with U.S. Customs and Border Protection's Secure Border Initiative contract. And in its response to Hurricane Katrina, the Federal Emergency Management Agency was found to lack appropriate contracting controls.

Because of this problematic history, Price directed the Government Accountability Office (GAO) to review the overall DHS investment review process and to evaluate how this process informs the Department's budget planning. The report found that DHS' investment review process has not provided the oversight needed to identify and address cost, schedule and performance problems. DHS did not comply with its own investment review requirements in 45 of the 48 major investments (93 percent) that GAO reviewed. GAO found that DHS failed to ensure that departmental oversight bodies – the Investment Review Board (IRB) and the Joint Requirements Council (JRC) – were effectively carrying out their oversight responsibilities, and that they had sufficient staffing and other resources. In addition, according to GAO, DHS failed to develop an accountability system to ensure that IRB and JRC decisions were implemented.

"I am deeply concerned, but not surprised, by the findings," Price said. "My subcommittee has been raising the alarm for years, on a bipartisan basis, about the importance of rigorous investment reviews in guiding the Department's programming and budgeting decisions. The GAO report clearly lays out the steps DHS needs to take to improve the investment review process, and I urge the Bush Administration and the incoming Obama Administration to make this a top priority. Major procurements should not move forward unless they have been thoroughly vetted and approved by the IRB or JRC."

Since fiscal year 2007, the Appropriations Committee directed additional resources to beef up the Department's procurement oversight capabilities, increasing funding for the DHS Procurement Office by 130%, from \$16.9 million in fiscal year 2007 to \$39 million in fiscal year 2009.

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